

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 2
to
CONTRACT NO. 071B2200074
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
DuHadway, Kendall & Assoc., Inc. dba DK Security 5160 Falconview Avenue Kentwood, MI 49512	Kathryn Kendall	kathrynkendall@dksecurity.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(616) 656-0123	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DMVA	Kimberly Graham	517-481-7643	graham@michigan.gov
BUYER	DTMB	William C. Walsh	517-373-6535	Walshw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Armed Security Guards – Battle Creek Air National Guard Base - DMVA			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 16, 2011	November 30, 2016	2, one year	November 30, 2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 30	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$3,177,521.06		
Effective June 18, 2013, this change is issued to add the position of Site Manager for the Armed Security Guard contract located at the Battle Creek Air National Guard Base effective Monday, June 24, 2013. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and DTMB Procurement approval.				

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

March 2, 2012

CHANGE NOTICE NO.1
TO
CONTRACT NO. 071B2200074
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR DuHadway, Kendall & Associates, Inc. dba DK Security 5160 Falconview Avenue Kentwood, MI 49512		TELEPHONE (616) 656-0123 Kathryn Kendall
		CONTRACTOR NUMBER/MAIL CODE
Email: kathrynkendall@dksecurity.com		BUYER/CA (517) 373-6535 William C. Walsh, CPPB
Contract Compliance Inspector: Kimberly Graham ((517) 481-7643 email graham@michigan.gov) Armed Security Guards –Battle Creek Air National Guard Base– DMVA		
CONTRACT PERIOD: 5 yrs. + 2 one-year options From: December 16, 2011 To: November 30, 2016		
TERMS Net 30	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
ALTERNATE PAYMENT OPTIONS: <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other		
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION:		

NATURE OF CHANGE(S):

Effective December 16, 2011, the below hourly rates are hereby incorporated into this contract. Contract is hereby DECREASED by \$71,027.60. All other terms, conditions, pricing and specifications remain the same.

AUTHORITY/REASON(S):

Per request of DMVA and vendor agreement and the approval of DTMB Procurement.

DECREASE: \$71,027.60

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$ 3,177,521.60

PRICING SHEET SUMMARY
Effective 16 Nov 2011 (Change 1/Dec 20 2011)

DMVA – Battle Creek ANGB

Item	Unit	Position	Bill Rate per Hour	Total # of Hrs for One Year	Total Cost (rate x # of hours)
1	EA	Armed Guard Patrol: One (1) employee each eight (8) hour shift, 24 hours/day, seven (7) days/week, 365 days/year. Price includes staff, vehicle, and vehicle operation costs. This position will perform duties as shift supervisor. (excluding Day shift on Unit Training Assemblies)	\$18.43	8,568	\$157,908.24
1a	EA	Armed Guard Patrol Member: One (1) employee each eight (8) hour shift, 24 hours/day, seven (7) days/week, 365 days/year. (excluding Day shift on Unit Training Assemblies)	\$17.02	8568	\$145,827.36
2	EA	Armed Gate Guard (Main Gate): One (1) employee each eight (8) hour shift, 24 hours/day, seven (7) days/week, 365 days/year. (excluding Day shift on Unit Training Assemblies)	\$17.36	8,568	\$148,740.48
3	EA	Armed Gate Guard (M-F): Vehicle Inspection at Commercial Gate): One (1) employee for eight (8) hour day shift only, five (5) days/week, 52 weeks/year. (excluding Holidays and base closure dates)	\$17.02	2080	\$35,401.60
4	EA	Armed Guard Dispatcher: One (1) employee, each eight (8) hour shift, 24 hours/day, seven (7) days/week, 365 days/year. (excluding Day shift on Unit Training Assemblies)	\$17.23	8,568	\$147,626.64
SUBTOTAL PRICE FOR ONE (1) YEAR (12 MONTHS):					\$635,504.32
TOTAL PRICE FOR REMAINING MONTHS TO CONTRACT (APPROX 5 YEARS) :					\$3,177,521.60

Wages

Starting wage shall be paid no less than \$12.00 per hour* for an armed guard.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET December 14, 2011
PROCUREMENT

P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

**NOTICE
OF
CONTRACT NO. 071B2200074
between
THE STATE OF MICHIGAN
and**

NAME & ADDRESS OF CONTRACTOR DuHadway, Kendall & Associates, Inc. dba DK Security 5160 Falconview Avenue Kentwood, MI 49512 Email: kathrynkendall@dksecurity.com	TELEPHONE (616) 656-0123 Kathryn Kendall
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-6535 William C. Walsh, CPPB
Contract Compliance Inspector: Kimberly Graham ((517) 481-7643 email graham@michigan.gov) Armed Security Guards –Battle Creek Air National Guard Base– DMVA	
CONTRACT PERIOD: 5 yrs. + 2 one-year options From: December 16, 2011 To: November 30, 2016	
TERMS <u>Net 30</u>	SHIPMENT <u>N/A</u>
F.O.B. <u>N/A</u>	SHIPPED FROM <u>N/A</u>
ALTERNATE PAYMENT OPTIONS: <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other	
MINIMUM DELIVERY REQUIREMENTS <u>N/A</u>	
MISCELLANEOUS INFORMATION:	

The terms and conditions of this Contract are those of ITB #07111300226, this Contract Agreement and the vendor's quote dated August 22, 2011. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.

ESTIMATED CONTRACT VALUE: \$ 3,248,549.20

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Email: kathrynkendall@dksecurity.com		CONTRACTOR NUMBER/MAIL CODE
Contract Compliance Inspector: Kimberly Graham ((517) 481-7643 email graham@michigan.gov) Armed Security Guards –Battle Creek Air National Guard Base– DMVA		BUYER/CA (517) 373-6535 William C. Walsh, CPPB
CONTRACT PERIOD: 5 yrs. + 2 one-year options From: December 16, 2011 To: November 30, 2016		
TERMS Net 30	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
ALTERNATE PAYMENT OPTIONS: <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other		
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of ITB #07111300226, this Contract Agreement and the vendor's quote dated August 22, 2011. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.		
Estimated Contract Value: \$ 2,667,211.40		

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 07111300226. Orders for delivery will be issued directly by the Department of Military and Veterans Affairs through the issuance of a Purchase Order Form.

All terms and conditions of the invitation to bid are made a part hereof.

FOR THE CONTRACTOR:

DK Security
Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature
Jeff Brownlee, Chief Procurement Officer
Name/Title

DTMB Procurement
Division

Date



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Attachment A - Pricing



DEFINITIONS

24x7x365 means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

Additional Service means any Services within the scope of the Contract, but not specifically provided under any Statement of Work.

Audit Period means the seven year period following Contractor's provision of any work under the Contract.

Bidder(s) are those companies that submit a proposal in response to the RFP.

Business Day means any day other than a Saturday, Sunday or State-recognized legal holiday from 8:00am EST through 5:00pm EST unless otherwise stated.

Blanket Purchase Order is an alternate term for Contract and is used in the Plan Sponsors' computer system.

CCI means Contract Compliance Inspector.

Days means calendar days unless otherwise specified.

Deleted – N/A means that section is not applicable or included in the RFP. This is used as a placeholder to maintain consistent numbering.

Deliverable means physical goods and/or services required or identified in a Statement of Work.

DMVA means the Michigan Department of Military and Veterans Affairs.

DTMB means the Michigan Department of Technology Management and Budget.

Environmentally Preferable Products means a product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to: those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

Hazardous Material means any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).

Incident means any interruption in any function performed for the benefit of a Plan Sponsor.

Key Personnel means any personnel identified in **Section 1.031** as Key Personnel.

New Work means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, such that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.

Ozone-depleting Substance means any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydrochlorofluorocarbons.

Post-Consumer Waste means any product generated by a business or consumer which has served its intended end use; and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.



Post-Industrial Waste means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.

Recycling means the series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

Reuse means using a product or component of municipal solid waste in its original form more than once.

RFP means a Request for Proposal designed to solicit proposals for services.

Services means any function performed for the benefit of the State.

SLA means Service Level Agreement.

Source Reduction means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

State Location means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

SubContractor means a company selected by the Contractor to perform a portion of the Services, but does not include independent Contractors engaged by Contractor solely in a staff augmentation role.

Unauthorized Removal means the Contractor's removal of Key Personnel without the prior written consent of the State.

Waste Prevention means source reduction and reuse, but not recycling.

Pollution Prevention means the practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.

Work in Progress means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

Work Product refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by the Contract.



Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

This Contract is for Armed Security Guard Services for the Department of Military and Veterans Affairs (DMVA), Battle Creek Air National Guard Base (BCANGB). The on-site contact for this Contract is:

Chief Master Sgt. Roger Haller, Security Forces Manager
110th Security Forces Squadron
34 Saber Street
Battle Creek, MI 49037
Telephone: (269) 969-3301
Email: roger.haller@ang.af.mil

1.012 Background

Each military installation/base is a secure location requiring Armed Security Guard personnel to manage entry/exit gates and other guard services as requested. Each installation/base operates 24/7 with a primary focus of supporting ongoing training for the military and other units of law enforcement in the preparation of defending our homeland through special defense training missions and training task force operations.

1.020 Scope of Work and Deliverables

1.021 In Scope

The Contractor must provide appropriate trained security guard staff to properly service the requirements as contained in this Contract.

All personnel assigned pursuant to this Contract shall be Michigan Council on Law Enforcement Standards (MCOLES) trained and qualified in firearms. Contractor will be required to provide documentation of training PRIOR to award of contract. Personnel shall also maintain a Michigan Concealed Weapons Permit (CCW).

Staffing levels must be maintained so that the Contractor is able to provide the specified coverage by trained, qualified guards at all times based on the requirements listed below.

The Contractor must assure that all armed security guards are aware that their primary purpose is to maintain order, protect soldiers, staff, visitors and property from harassment, injury, damage and/or theft and take appropriate action as specified by each DMVA installation/base.

The Contractor will NOT be required to provide transportation for agency staff or visitors, perform personal chores for anyone or detain by force or arrest persons.

1.022 Work and Deliverable

Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of armed security guard services, as set forth below:

The Contractor, through innovation, technology or other means, shall perform and provide the required services and staff to complete the frequencies determined by the DMVA and otherwise do all things necessary for, or incidental, to the performance of work. Compliance will be based on the State's overall evaluation and interpretation in accordance with method of performance, frequencies and method of performance, as set forth in this document.



The Contractor shall provide all services and related items and services necessary for, or incidental, to the performance of work in accordance with this Contract, including, but not limited to:

1. All personnel;
2. Equipment;
3. Tools;
4. Supplies;
5. Materials;
6. Training; and
7. Supervision of Staff.

The Contractor shall provide armed security guard services as specified in this Contract for the locations as described on the attached Location Specification Sheets (LLS's) and/or as directed by the DMVA Contract person (POC) or Contract compliance inspector (CCI).

1.030 Roles and Responsibilities

1.31 Contractor Staff, Roles, and Responsibilities

The DMVA reserves the right to refuse admission to any of its facilities or programs to any member of Contractor's staff who fails to maintain proper credentialing, fails to meet applicable state, federal or industry standards of practice or who may compromise the security of the facility, its members and staff.

The Contractor shall acknowledge in writing that neither this contract nor any subsequent contract creates a co-employer-employee relationship between the Contractor and the DMVA or between the Contractor's employees and the DMVA. The Contractor shall inform each of its employees in writing that the DMVA is not the employer of the Contractor or the Contractor's employees and that the DMVA is not a co-employer of the Contractor's employees. The Contractor agrees to have each of its employees assigned to the DMVA acknowledge the same in writing and agrees to maintain current documentation concerning the employment relationship referenced in this paragraph in each of the Contractors employee files.

Duties specific to the Battle Creek ANGB

The Contractor must be able to provide appropriate staff to properly service the requirements of this Contract.

Recognition of Purpose: The Contractor shall insure that all security guards are aware that their primary purpose is to maintain order, protect clients, staff, visitors and/or all who enter the installation and property from harassment, injury, damage or theft and take appropriate action as specified by each DMVA installation requirements as specified.

Operating Provisions

Failure to carry out these orders shall be considered a violation of this Contract. In addition, orders may change accordingly depending on the level of security threat at each DMVA location. It will be the responsibility of the supervisor to assure guards are properly notified of specific orders and any changes accordingly. Security guards shall:

- a. Show respect and courtesy to all persons on all occasions.
- b. Refer inquiries to appropriate location.
- c. Be sufficiently knowledgeable regarding building operations to perform their assigned duties.
- d. Dispose of waste so as not to create custodial chores for others.
- e. Each security officer shall provide a completed daily log and incident report.
- f. Exclude non-employees from employees' areas except on explicit instructions of the CCI. Guards shall be properly trained to question and, when necessary, detain persons gaining unauthorized access to areas and the installation and to properly notify proper authorities



- g. Report all incidents immediately to the CCI and follow up with a written report by the end of the officer's shift.
- h. **NOT** visit or fraternize with agency staff, clients, other tenants, or visitors to the building.
- i. **NOT** perform personal chores for anyone.
- j. **NOT** assemble with other security guards on duty except as required or related to an emergency.
- k. **NOT** smoke while on duty.
- l. **NOT** depart from duty station until relieved.
- m. **NOT** do any of the following while on duty:
 - 1) Read newspapers, magazines, books, or other matter other than State or Contractor issued directives.
 - 2) Use any musical instrument.
 - 3) Have pets at work.
 - 4) Consume alcoholic beverages, narcotics, or be under their influence when reporting for or while on duty.
 - 5) Have relatives or personal visitors.
 - 6) Sleep or give the appearance thereof.
 - 7) Consume food or beverages in public view.
 - 8) Play radios or televisions or personal laptops
 - 9) Use space heaters or other electrical appliances.
- n. **NOT** initiate or receive personal telephone calls on agency telephones. The Contractor shall be responsible for all unauthorized telephone calls placed on State telephones/lines. Personal Cell Phones are also prohibited while on duty.
- o. **NOT** wear sunglasses except outdoors, as necessary. Sunglasses must be conservative and non-reflective while on post at the Main Gate and/or on patrols.
- p. Operate in accordance with DOD, Air Force and local policies and procedures.

The designated DMVA representative may give additional written or oral instructions.

The commander's intent is to run a unified program with Active Guard/Reserve (AGR-military) and Contractor employees. These employees will be inter-dispersed among all shifts. The mission is to maintain uninterrupted flying operations while ensuring the protection of personnel, facilities and resources at the Battle Creek ANGB.

The Contractor shall provide trained and qualified on-duty armed security guards distributed among three (3) shifts from the first day of performance through completion of this Contract in support of Installation Patrol, Installation Entry Control and Vehicle Inspection Entry points in accordance with the Performance-based Work Statement (PWS) and any other mandatory federal, state, local, Department of Defense (DOD) and Air Force regulations (<http://www.e-publishing.af.mil/>), as applicable, and applicable Force Protection Conditions (FPCON) to include Random Antiterrorism Measures (RAMs). In support of their duties, Contractor guards must be able to deter, detect, and detain, by use of necessary force, trespassers or persons who illegally gain or attempt to gain access to the installation.

Additionally, Contractor guards must be able to detect and detain persons suspected of committing other offenses such as operating a vehicle under the influence, improper transport of drugs/explosive materials/weapons and any other skills that are inherent to performance of the tasks of this PWS, in accordance with installation operating instructions provided by Battle Creek ANGB. Such personnel will be detained until Contractor personnel are able to turn them over to local law enforcement authorities.

Staffing levels must be maintained so that the specified coverage is provided by qualified, trained guards.



Security Control Center / Dispatch:

The Contractor shall provide courteous, timely service continuously while performing dispatch duties. This employee will monitor and disseminate information over the radio, telephone, and desk to and from patrols or other visitors (callers) and provide supervisor to shift employees. Perform radio checks with shift personnel. They will monitor the installation intrusion detection system (IDS) and camera system along with dispatching patrols accordingly while using checklists, operating instructions, and policy. Plot aircraft parking. Maintain the communications console to monitor patrols and implant the security reporting and alerting system. Data entry and computer skills required. A SF Desk Blotter is maintained for all shift operations. Law enforcement experience and/or training preferred. Performs duties as the primary notification liaison for wing level command incidents.

Armed Guard Patrol/Member

The Contractor shall provide courteous, timely service continuously while conducting patrols as an individual on the installation in accordance with local installation plans and policies which will be provided.

- 1) Patrol in and around a USAF restricted area for protection level (or critical) resources providing immediate response to any situation affecting the protection level resource IAW AFI 31-101, *USAF Physical Security*. The Contractor will ensure employees are familiar with all Federal Aviation Administration (FAA) restrictions and fines for airfield violations. Fines issued to personnel will be the responsibility of the Contractor.
- 2) Patrols working inside an operational flight line must adhere to flight line driving requirements. Patrols will also conduct Random Antiterrorism Measures (RAMs) as directed around the installation. Contractor employees will be subject to completing a SF 85, Public Trust form which will grant them unescorted access into the flight line area once a favorable investigation has been completed. This form must be submitted within 30 days of hire, at no cost to the Vendor or the Contractor employee. The Contractor employee will then be issued a civilian AF Form 1199, Restricted Area Badge. The badge is subject to inventory and is a controlled item and will not leave the installation. Badges will be maintained within the squadron for safekeeping.
- 3) The Contractor will ensure members successfully pass a flight line driving training session to measure flight line competency. Members are required to submit to a color vision test at no cost to the Vendor or the Contractor employee.
- 4) The Contractor will perform duties as required to ensure only authorized personnel are granted access into the area. The restricted areas include the flight line, ramp area, run-up pad, associated hangers and any area designated in writing by the 110th Fighter Wing Commander.
- 5) Enforce regulations designed to prevent breaches of security. Exercise judgment and discretion when intervening to all incidents while keeping the situation under surveillance and report (sound the alarm). Perform required vehicle inspections as required.
- 6) Respond to calls for service or incidents, Patrolman Investigations, Traffic Enforcement to include ticketing, Building Checks, Post Relief, and other associated patrol duties as directed.

Installation Entry Control

The Contractor shall provide courteous, timely service continuously while maintaining control of all personnel and vehicles desiring to enter the installation in accordance with the local installation plans and policies. The Contractor will also control all personnel and vehicles departing the installation in accordance with local installation plans and policies. Entry control requirements will vary according to Force Protection Conditions (FPCON).



- 1) Ensure vehicles display valid installation Visitor Pass (AF Form 75), when applicable. Perform checks of individual identification. Guards will physically touch all identification cards while checking both the front and back of the card. Any expired card will be confiscated and actions taken in accordance with (IAW) local procedures. During hours of darkness guards are required to utilize flash lights to inspect credentials.
- 2) Perform systematic inspections of vehicles IAW local procedures.
- 3) Issue Visitor Passes at Main Gate when Pass and Registration is closed.
- 4) Direct and Control traffic at gate, Perform emergency procedures for gate closure IAW local procedures, and Perform emergency response actions as required.
- 5) Effectively operate the vehicle hydraulic barrier system(s). Note: Reimbursement for costs due to damage caused to the barrier or government vehicles as a result of neglect on the Contractor's employee will be the responsibility of the Contractor.
- 6) Perform required paperwork and notification procedures as required.

Vehicle Inspection Gate

Prior to base entry, all commercial and visitor vehicles shall be inspected to ensure no unauthorized vehicles, personnel or materials enter the installation. Base Entry/Exit Point Checks will be conducted in accordance with local directives. Inspections will be conducted in a professional, safe, and courteous manner while maintaining control of all personnel and vehicles during inspection. Vehicle inspection requirements will vary according to FPCON. Contractor shall supply to their employees, at no cost to the employee, any necessary safety equipment/material (i.e., flashlights, gloves, goggles, appropriate clothing/shoes, traffic vests, etc.) to conduct vehicle inspection.

Contractor employees conduct inspection of vehicles at the designated vehicle inspection point in accordance with the provided DOD guidelines and local procedures. Inspections include, but are not limited to, the interior of the vehicle, bed/box, trunk, trailer, under the hood, and underside of the vehicle. The guard will instruct all vehicle operators to open all doors, compartments, hood, trunk, gas tank door, etc. The guard at no time will open/close these items.

Inspections include the use of various government furnished equipment such as mirrors, hand-held/desk top explosive detectors, X-Ray units, under vehicle surveillance systems and support to the handler of any employed Military/Civilian Working Dog Team, if available.

Verify arrival of explosive laden vehicles with local Transportation Management Office (TMO). Direct explosive laden vehicles to local designated holding areas and receiving points.

Be able to distinguish the difference between a commercial vehicle inspection required on all vehicles and base entry/exit point checks. Required paperwork will be completed in a timely manner as required.

Training

Contractor provides all pre-performance training and is responsible for all associated expenses to include, but not limited to, state fees, license fees and certification fees. These fees will be paid for by the Contractor and not be assessed back to the employee. A reasonable degree of proficiency and knowledge of the specific Security Forces tasks and associated security guard skills are required under this Contract. Contractor employees shall meet training requirements for state-level armed security guards in the state where they are working. State required training must be performed by a state certified trainer. Certification documents for all state certified trainers will be provided to the military client.

Application of Federal immunity from state regulation does not apply.

Contractor employees shall meet all training, licensing and certification requirements as identified in supporting subparagraphs and in accordance with Michigan laws. Contractor employees will have current CPR and basic first aid certifications.



The Contractor shall provide a minimum 30-hour training plan for Contract guards. This training plan must be reviewed in advance by the Security Forces Manager (SFM, Chief Master Sergeant), with Contracting Officer approval and shall include, at a minimum, the following topics: Use of deadly force, secondary use of force (Non Lethal), entry control procedure, apprehension techniques, vehicle search techniques, local and state applicable legal statutes, verbal judo, physical fitness training, defensive tactics/self defense techniques, use and care of facilities, driver training, operational risk management techniques, emergency action procedures and additional weapons familiarization (if required).

General training requirements shall also include basic First Aid and CPR (certified current), crowd control, exposure to bodily fluids, fire prevention and safety to include the use of fire extinguishers, response to bomb threats, weather emergencies and evacuation procedures. The security guard will complete the 30-hour training requirement prior to government furnished initial training.

The Contractor shall provide a third party instructor to conduct the 30-hour training for all contract guards if in-house instructors are not available. The third party and in-house instructor(s) shall be certified to conduct security guard training. Contractor shall submit documentation of successful completion of this training by each contract guard to the SFS Training Section for validation.

Contractor shall provide the CCI a copy of all initial and refresher Contract guard training records/certifications. Refresher training is required within six (6) months from date of hire and every six (6) months thereafter.

All personnel shall have a minimum of eight (8) hours of classroom and installation familiarization before assuming a post. Training will include a tour, posting limits, and required paperwork. Personnel assigned to this site must be CPR/first aid certified and have knowledge of defensive tactics, emergency preparedness, and police procedures.

State Licensing

All personnel are required to have a training folder on file assigned to the respective installation. The file will contain a list of classes taken by the individual, specific ANG required paperwork and firearm training certifications along with other pertinent information considered for this position. Training files are subject to inspection by the State of Michigan or Department of State Police.

Application of Federal immunity from state regulation does not apply.

Contractor will adhere to Michigan licensing requirements.

Licensing of Security Guards: Contractor shall ensure all security guards possess state weapons permits and state armed guard certification required for state armed guards to perform security guard services in the respective state of employment. **Federal immunity from state regulation is not applicable to this task order.** If license is not obtained prior to performance start date, Contractor shall show proof of license application submission with all fee payments and successful completion of all prerequisites for licensing. All guards, whether or not they have received licenses, **must be fully trained and qualified before posting.** The Contractor will pay for all licensing fees. Licensing fees will not be assessed back to the employee.

Licensing of Contractor: Contractor must possess State certificates or licenses to the extent such certificates or licenses are required to obtain security guard licenses or weapons permits for their employees before start of performance. **Federal immunity from state regulation is not applicable to this task order.** If the necessary certificate or license is not obtained prior to performance start date, Contractor shall show proof of application submission with all fee payments and successful completion of all prerequisites for licensing. However, the Contractor is not relieved from providing fully trained and qualified guards by contract start date.



Arming Requirements for Contract Personnel

Contractor shall provide to the Chief, Security Forces, or their designated representative, written proof that Contract Employees have accomplished successful completion of weapons training and qualification as described in AFI 31-207 and 36-2226. This requirement must be met prior to posting that employee. The Contractor may be required to remove from duty any individual for unsafe weapons handling, loss of ammunition or range safety violations. Copies of individual state weapons certification authorization must be on file. Until license certification is received, Contractor shall provide proof of license application submission with all fee payments and successful completion of all prerequisites for licensing. Employees will be fit for duty prior to arming. The Contractor shift supervisor will ensure all personnel are fit for duty prior to arming.

Secondary Use of Force or Non Lethal (Expandable Baton and Oleoresin Capsicum (OC) Spray)

Each Contractor employee must carry the equivalent secondary use of force, as is carried/used by the Government. The Contractor may waive this requirement in lieu of department issued equipment if a civilian police agency. The Contractor is required to furnish both the baton and OC spray in addition to containers to house the items on the duty belt (the PR24 is not authorized at Battle Creek ANGB).

Contractor Furnished Items

Contractor shall ensure all Contract employees are properly equipped in accordance with the requirements of this Contract. Equipment shall meet or exceed all minimum standards set by National Institute of Justice (NIJ). Contractor shall ensure the employees are trained and certified in the proper use of any equipment and material item necessary in the performance of duties under this Contract. **All guards must be fully equipped before posting.**

Uniforms

The Contractor shall provide standard security guard uniforms in accordance with commercial standards and Appendix C of this Contract. Uniform and patch submission must be reviewed by the CCI with approval prior to purchase or approved by the State of Michigan. Provide sufficient uniform clothing and footwear for use during local installation inclement weather conditions/extremes. All seasonal uniforms will be identical, except for items that identify rank or position. All security guards on duty will wear uniform seasonal clothing, shoes, and equipment. Vehicle inspection posts may require specialized uniforms (i.e. overalls). Contractor shall submit sample of specialized uniforms to the CCI for review prior to purchase.

Badges

The Contractor shall provide Contract personnel identification badges to wear while on duty. The badges must be able to withstand inclement weather. Badges shall contain a personal photograph, full name of employee and Contractor's company name. Badges shall be worn in a uniform manner on the outermost garment in full view above the waist.

Miscellaneous Equipment

Unless specifically stated, each item of guard equipment, secondary use of force equipment, and associated items are to be provided on a 1:1 basis (i.e., 12 guards at Battle Creek ANGB, then Contractor will provide 12 duty belts, vests, etc). Equipment will be uniform across the board and the cost will not be assessed back to the employee.

- 1) **Duty Belt** - Appropriate holster, flashlight holder, four (4) uniform belt keepers, single magazine case, secondary use of force holder(s), handcuff case and latex glove case. All duty belt equipment must be constructed of the same black nylon base material (i.e. web belt with web gear) and approved by CCI.
- 2) **Handcuffs** shall be Smith & Wesson, Peerless, or equal. Handcuffs are considered to be equal if they are constructed of a gauge of metal that is at least as thick/dense as used by Smith & Wesson or Peerless, have double locks, and open with a standard handcuff key.
- 3) **Land Mobile Radios (LMR)**. provided by CCI.
- 4) **Flashlight** – One flashlight will be provided to each security guard and shall be carried on their person at all times. Replacement batteries and bulbs will be provided by the Contractor as required.



- 5) **Binoculars** – Three sets will be provided to the site and assigned to the Installation Entry Point(s).
- 6) **Reflective Vest** – One reflective vest will be issued to each security guard, to be readily available for periods of reduced visibility/inclement weather, as directed by local base policy.
- 7) **Expandable Baton and OC Spray** (at level of strength used by the Air Force) or other secondary use of force equipment (Non Lethal), as used and mandated by local base policy.

Miscellaneous Equipment

Unless specifically stated otherwise, each item of Contractor equipment, secondary use of force equipment (Non Lethal), and associated items are to be provided on a 1:1 basis as issued by the Contractor.

Contractor Vehicle

Contractor shall provide one (1) patrol vehicle at Battle Creek ANGB for full Contract performance to include shift relief/breaks, Post Associated Time (PAT), timely transport of employees to and from any location in the performance of duty, and accomplishment of assigned additional duties as well as patrolling.

- 1) The required type of vehicle is a SUV (4 door) or Quad Cab Pick-up, capable of carrying a minimum of four (4) people with associated gear. The vehicle will be at least a 2005 with no more than 10,000 miles at the start of this Contract. Vehicle must be sufficient to meet all safety requirements and passenger limitations. Contractor provided vehicles must be clearly marked as such, meeting Government approval prior to use. Only clearly marked Contractor owned or leased vehicles, no "privately owned vehicles" (POVs) owned by individual employees, will be used to perform any services required by this task order. In addition, the Contractor shall have a back up vehicle meeting the same requirement as the primary when the primary vehicle is out of service. The back up vehicle will need to be on site within four (4) hours of request. Contractor may opt to leave vehicle on the installation.
- 2) The vehicle shall be equipped with a minimum of one (1) amber light and a Public Address (PA) system. The vehicle shall also be equipped with a radio mount able to hold and continually charge the radio provided by the CCI. In addition, the vehicle will be equipped with a lockable shotgun rack to secure the weapon properly.
- 3) The Contractor shall be responsible for licenses, insurances, maintenance, repair, and fuel for the vehicle. In addition, the Contractor shall provide a comparable replacement vehicle in the event the primary vehicle is not operational (i.e. repair, maintenance, etc.). If the vehicle becomes damaged or disabled, Contractor will remove the vehicle from the installation within 72 hours, until it can be returned to service.
- 4) Vehicle markings will adhere to Air Force specifications. Deviations must be reviewed and approved by the CCI. At a minimum, vehicles will be marked with the company logo/name and the word Security or Security Patrol visible from 360 degrees.
- 5) Contractor primary vehicle will remain at the Base for applicable patrol use and posting to support mission requirements.

Weapons

The Contractor shall provide each security guard with his/her issued duty weapon. The Contractor shall provide each vehicle with a Remington 870 shotgun or equivalent.



- 1) Prior to completion of the AF Qualification Course of Fire (see Appendix D – M9 Course of Fire), the Contractor shall provide **each** security guard with his/her personally assigned standard 9mm Beretta Model M9 semi-automatic handgun (commercial variant without attachments such as laser sights), or equal in performance of this Contract tasking requirements. The salient characteristic of an equivalent is the pistol's ability to accept an ammunition magazine used in the Beretta Model M9. The Contractor will obtain Government approval for any equivalent. One 9mm weapon, or authorized equivalent, will be provided for each guard (i.e. 12 guards at the Battle Creek ANGB equals 12 - 9mm weapons).
- 2) The Contractor is required to purchase a rack system for the weapons that will conform to size and location in the unit armory. Specifics will be provided.
- 3) The Contractor will maintain inspection records on all weapons assigned to Contractor employees and ensure routine maintenance and cleaning is performed. All weapons will be issued from the Arms Vault. Overall responsibility lies with the Contractor guard as they receive the weapon from the issue window. Contract employees may report for duty in ample time to perform functions checks on their assigned weapon.
- 4) Use of any privately owned personal weapon or ammunition is prohibited.
- 5) Contract security personnel shall not carry a personal concealed weapon on an Air Force installation even if they are licensed to do so off the installation without the permission of the installation commander or his designee.
- 6) The Contractor shall ensure weapons familiarization in accordance with (IAW) AFMAN 31-229, AFI 36-2226 and AFMAN 36-2227, Volume 1. Pre-performance and recurring qualification training shall meet the Air Force Qualification Course (AFQC) standard stated in Chapter 2 of AFMAN 36-2227, Volume 1. For the purpose of applying the training and qualification requirements of AFI 36-2226 and AFMAN 36-2227, Contract Guards will be classified as the equivalent of **Category B** shooters and after initial qualification contract employees must re-qualify on their assigned weapon every 12 to 15 months, at a minimum. The frequency for qualification training and certification will be IAW those stated in paragraph 2.72 of AFI 36-2226. The Contractor shall provide documentation of successful completion of all training to the CCI.
- 7) Weapons shall be loaded/unloaded in accordance with Air Force procedures outlined in AFI 31-229. ANG 7-level Security Forces Supervisors must ensure trained and certified clearing barrel agent is present during all clearing, loading, and unloading operations. Contract guard shift supervisors will perform duties as clearing barrel official. They will need additional training and must successfully complete a written and practical test administered by the Combat Arms supervisor.
- 8) No on site range is available to the Contractor for qualification purposes at Battle Creek ANGB.

Ammunition

Contractor must provide the same ammunition as used by the Government at time of service for each security guard (i.e., standard ball or hollow-point 9mm ammunition.) The Contractor must:

- 1) Provide, prior to Contract start and in armories, all duty ammunition load to equip 100 percent of Contract guards at the same time.
- 2) Provide each Contract security guard with sufficient ammunition for a full magazine (15 rounds) in the weapon and a second full magazine to be carried on his/her person while on duty. Arming requirements include a chambered round in weapon when on duty as per Air Force standard. When off-duty, ammunition will be turned in and accounted for by the government armory custodial ammunitions account monitor.

Weapons and Ammunition

Government is responsible for storage and issue of Contractor owned weapons and ammunition when applicable. These weapons and ammunition may be stored immediately upon Contract award after completion of a joint inventory. Contractor is responsible for providing weapons storage racks/containers. The government will issue weapons and ammunition from Contractor's supply to each Contract guard prior to posting and return all issued weapons and ammunition at the end of each shift to Contractor's supply.

Weapons Maintenance

Contractor shall ensure weapons are serviceable and properly cleaned. Any problems or malfunction of weapons shall be immediately reported to on-duty armorer.



Battle Creek ANGB Furnished Items

The Battle Creek ANGB will provide to the Contractor, for use in the performance of this Contract only, the following information, facilities, property, and equipment:

Initial Training

After each Contract employee satisfactorily completes all personnel requirements in this Contract (including meeting all prerequisites to obtain a state license in jurisdictions where available), the Government will provide the employee approximately eight (8) hours of training. Government-furnished initial training includes, but is not limited to:

- 1) Unit mission as applicable to the Contractor duties.
- 2) How to use and care for Security Forces facilities and equipment.
- 3) How to perform Installation Entry Control duties, Vehicle Inspections duties, and Visitor Control Center duties, if tasked.
- 4) Authority and areas of jurisdiction to include the Arming and Use of Force Training (including Deadly Force) IAW AFI 31-207 and AFMAN 31-222.
- 5) Familiarization with Memorandums of Understanding or assistance agreements with local supporting agencies.
- 6) Government Drivers Training and licensing, as required by the Government.
- 7) Safety.
- 8) Routine, Exercise, and Emergency Actions to include: Safe Haven, bomb threat, HAZMAT, explosive shipments, etc.
- 9) Communication procedures (radio, telephone, etc.).
- 10) Expanded initial training requirements, as deemed necessary by the Government.

Equipment

Post specific equipment to perform vehicle inspections. Bulletin board to post schedules and announcements. Handheld Radios

Office Space

Telephone access shall be made available for the local area. In addition, a work area will be made available for completing paperwork. Contractor employees will be issued a mail slot for incoming mail only (not storage).

Administrative/Security Clearance

Contractor shall conduct, document, and coordinate on all security clearance matters as identified in supporting sub-paragraphs. Additionally, the Contractor shall comply with all security processes and procedures as identified in supportive sub-paragraphs.

DD Form 254 (DOD Contract Security Classification Specification)

The Government will complete an initial DD Form 254 identifying the extent to which employees will be granted access to classified information, if applicable. The Contractor will submit for Government approval any secondary DD Form 254s.

Visitor Group Security Agreement (VGSA)

Since performance is on government installations, the Contractor shall enter into a long-term visitor group security agreement as required in applicable USAF regulations. This agreement shall outline how the Contractor integrates security requirements for this Contract operation with the Air Force as outlined in this section to ensure effective and economical operation on the installation. On the installation, the long-term visitor group security agreement may take the place of a Standard Practice Procedure (SPP). The agreement shall include protection of classified information, security checks of designated work areas and internal security controls for protection of high-value pilferable property. The CCI will manage and maintain the document IAW DoD 5220.22-R, AFD 31-6, AFI 31-601.



Security Clearance / Public Trust Requirements

A Secret security clearance (SF 85P/86) may be required for the Contractor employees. If clearance is validated in the Joint Personnel Adjudication System, an individual may perform duties pending administrative transfer of the clearance. All other contract employees will be required to have a SF85P, Public Trust investigation initiated. This action is at no cost to the Contractor.

Retrieving Identification Media

The Contractor shall retrieve and return to host unit, all identification media, including vehicle decals, badges, access control cards, etc., from Contract employees that depart for any reason before this Contract expires and upon termination of this Contract.

Listing of Employees

The Contractor shall maintain a current listing of employees, which must include employees, full name, social security number, date of birth, and level of security clearance (if applicable), See Attachment E. The list shall be validated and signed before providing to the contract administrator prior to the contract start date. Update listings shall be provided when any employee's status or information changes by the site manager.

Reporting Requirements

The Contractor shall report to the CCI, any information or circumstances of which they are aware may pose a threat to the security and/or safety of DOD personnel, Contractor personnel, resources, and classified or unclassified defense information IAW AFI 71-101, Volume 1 & 2.

Incident Reporting

The Contractor shall immediately report all incidents to the CCI. Incidents include, but not limited to, weapons discharge, breach of security, accidents, procedural violations, and injury to persons or property. The Contractor and all employees shall not discuss or provide any information concerning any incident with any other private, civil or government organizations without permission of the CCI.

Testifying Responsibility

Contractor is required to fully cooperate, if called upon, to testify or submit a statement in a court-martial or any related court or legal proceeding. Replacements must be provided for employees who testify in duty status to ensure all posts are fully manned at all times. Contractor employees called upon to testify will do so at the expense of the Court.

Physical Security Work Areas

Contractor shall comply with installation operations plans/instructions for Force Protection Condition procedures, Random Antiterrorism Measures (RAMS), and local search/identification requirements. The employees shall safeguard all government property and employees.

Duty/Work Areas

Contractor shall adhere to local installation procedures for entry to areas where employee's personnel will work.

Key Control

Key control procedures will be established to ensure keys issued to the Contractor by the Government are properly safe guarded and not used by unauthorized personnel. The Contractor shall not duplicate keys issued by the Government. Lost keys shall be reported immediately to the CCI/Site Manager. The total cost of lost keys, re-keying, or lock replacement shall be reimbursed to the Government as a Claim against the Contractor. Contractor employees shall not use keys to open work areas for personnel other than employees engaged in performance of duties, unless authorized by the CCI.



Lautenberg Amendment

Persons who are prohibited by 18 U.S.C. 922(d) (9) and (g) (9), Lautenberg Amendment, from possessing firearms cannot be employed under this Contract. This includes persons who have been convicted of or charged with any felony, or have been convicted of a misdemeanor crime of domestic violence, or who are subject to a court order that restrains the person from harassing, stalking, or threatening. Further, the Contractor must present to the CCI any known evidence of criminal misconduct by a prospective or current employee. The CCI, in his sole discretion, will determine whether such misconduct is a disqualification from employment. Personnel currently employed who are formally charged with a criminal act (to include domestic abuse) shall be suspended from work pending the outcome of such charges.

Contractor will brief each employee on the Lautenberg Amendment and complete a DD Form 2760 on each employee. The briefing and Form must be completed before that employee receives government provided training and annually thereafter. Contractor will provide the CCI documentation of all initial and annual briefings.

Privacy Act

Work on this project may require that personnel have access to Privacy Information. Personnel shall adhere to the Privacy Act, Title 5 of the U.S. Code, Section 552a and applicable rules and regulations. Violations of the privacy act will be immediately reported to the CCI.

Standards of Appearance

Contractor employees' appearance will be neat, fit, well groomed, and present a professional image. Employees may not be overweight to the extent that a professional image is not maintained (Body Mass Index greater than 30). Contractor is encouraged to adopt a physical fitness program similar to the United States Air Force for their employees located at this site. Contractor employees will perform the fitness testing IAW AFI 31-282, (see below).

PHYSICAL FITNESS STANDARDS

Successful completion of the PAT is applicable to civilian applicants in the OPM occupational series 0083 (Civilian Police), 0085 (Civilian Security Guard), and 0080 (Civilian Security Specialist with parenthetical Law Enforcement). Passing the PAT will be a condition of initial and continuous employment, similar to weapons qualification. It is a minimum requirement of the position. Tests will be conducted on a regular recurring basis (at least annually). A medical screening of applicant will be conducted IAW 5 CFR Part 339, Medical Qualifications Determinations, and DoD Manual 6055.05M (11 November 2008), prior to the PAT. The PAT serves to provide a measure of the individual's preparedness to successfully accomplish the essential functions of the position. A Physical Training Leader will conduct the PATs for standardization.

The AF expects that civilian police and guards will be able to fulfill a full range of activities under sometimes arduous and unforgiving conditions, performing integrated defense tasks which may be life threatening. The physical agility standards that the AF is implementing quantify the AF's expectations. In order to meet the condition of employment standard, the individual tested must successfully pass the established standard for each of the four elements of the PAT.

The PAT will be conducted annually and documented by the SF unit for DAF CP/SG personnel, with a minimum of four months separating the tests. If a unit conducts all its PATs in a single month, a new hire will not be required to complete the test again for at least 4 months (e.g. officer hired in December would not be required to test in January). Job descriptions and performance plans/performance standards/position descriptions will contain the PAT requirement. The PAT will be conducted no later than 12 months from the date of the last Record PAT.



An applicant DAF CP/SG must be advised in writing, and CPO will maintain a copy, at the time of initial employment that they are required to take a diagnostic PAT within 30 days of being medically cleared AND pass the record PAT within 90 days of appointment. At units with CBA ensure the applicant completes the PAT prior to the final offer of employment to mitigate delays. If the diagnostic PAT is passed it will be sufficient. Applicants must sign a statement acknowledging they have been so advised (See Attachment 2). Thereafter, physical agility testing will be required annually. For applicants, the initial testing requirement must be met after a conditional offer of employment and before the final offer of employment. All elements of the PAT must be accomplished at each session. Each applicant will be authorized to take the test twice. After the second failure, the conditional job offer will be withdrawn.

Current DAF CP/SG employees are required to take an initial, diagnostic PAT within 30 days of being medically cleared and must pass the record PAT within one year from the date of their medical clearance; thereafter, annual physical ability testing will **44 AFI31-282 22 DECEMBER 2010** be required for all DAF CP/SG. If the diagnostic PAT is passed it will be sufficient. In order to meet the condition of employment standard, the individual tested must successfully pass the established standard for each of the elements of the PAT. All elements of the PAT must be accomplished at each session. If the DAF CP/SG fails the PAT, they will be required to pass the retest within 90 days. If the DAF CP/SG fails the second PAT, the DFC will be notified and CPO/CPF will be contacted for advice regarding options defined by applicable Federal and/or agency instruction for personnel who no longer meet the minimum PAT qualifications for a DAF CP/SG position. Incumbent DAF SG converting to CP must pass the PAT prior to initial employment for the new position.

Order for Testing is as follows

Typical warm-up for 3 minutes should include slow jogging-in-place or walking in place and slow joint rotation exercises (for example, arm circles, knee/ankle rotations) to gradually increase the joint's range of motion, and slow, static stretching of the muscles to be used during the upcoming activity.

Sit-ups. Execute 29 sit-ups in two minutes; followed by a 10 minute break.

Demonstrates core abdominal muscular strength and endurance which are used in self defense and high intensity arrest or detention simulation training. Further, these muscles are important for performing tasks involving the use of force. It also helps to maintain good posture and minimize lower back problems.

Start with knees bent at a 90 degree angle, with the feet/heels in contact with the floor at all times. Arms will be crossed over the chest with the hands at the shoulders or resting on the upper chest. The participant may request to have their feet held down or use an anchored toe-hold bar. A complete sit-up is accomplished when the upper torso of the participant is raised off the floor/mat, the elbows touch the knees or thighs, and the upper torso is then lowered until the shoulder blades touch the floor/mat. The hands must stay in contact with the shoulders/upper chest at all times.

Sprint. Sprint 300 meters in 81 seconds; followed by a 10 minute break.

Demonstrates anaerobic capacity used in high intensity baton and defensive tactics training, and is important for performing short, intense bursts of effort such as foot pursuits, rescues, and use of force situations. **AFI31-282 22 DECEMBER 2010 45** At the starting line, on a flat surface, run 300 meters as quickly as possible. Participants will start at the direction of the timer and recorded with stopwatch to the nearest second.

Pushups. Execute 21 pushups in two minutes; followed by 10 minute break.

Demonstrates upper body muscular strength and endurance of the upper body muscles in the shoulders, chest, and upper arms used in high intensity self-defense and arrest simulation training. This is important for the use of force involving pushing motion, breaking one's fall to the ground, use of the baton, climbing over walls and fences, etc.

Assume a front leaning rest position with the hands placed comfortably apart, the feet together, or up to 12 inches apart, and the body forming a generally straight line from the shoulders to the ankles. Keeping the body straight throughout the exercise, lower the body until the upper arms are at least parallel to the ground. Then push up to the initial position by completely straightening the arms, to complete one count of the exercise.

Run. Run 1.5 miles in 17:30 minutes.

To demonstrate cardio-respiratory endurance (or aerobic capacity) used in extended control and defensive tactics training. This is important for performing tasks involving stamina and endurance (pursuits, searches, prolonged use of force situations, etc.) and for minimizing the risk of cardiovascular health problems.



At the starting line, on a flat surface, run 1.5 miles as quickly as possible. Walking part of the 1.5 mile run will not disqualify the participant as long as they meet the time standard. Participants will start at the direction of the timer who will measure the time with a stopwatch and record the result to the nearest second.

Altitude Adjustments. For geographical areas that vary in altitude, altitude adjustments will be made for the 1.5 mile run. At an altitude of 5000 feet a 30 second time adjustment is made. An additional 10 seconds will be added for every subsequent 1,000 feet of altitude up to 8,000 feet (for a total of 60 seconds). At 9,000 feet in altitude the time increases by an additional 15 seconds (to 75 seconds total). The time adjusts by 15 seconds for every subsequent 1,000 ft up to 12,000 ft (120 seconds total). At 5,000 feet the time criteria will be 18:00 min vs. 17:30 below 5,000 ft. At 12,000 feet, the time criteria will be 19:30.

Cool-down. Typical cool-down for 5 minutes should include walking and stretches of the muscles that were used until heart rates return to less than 100 beats per minute (BPM) and heavy sweating stops.

Retesting Procedures for PAT

The complete sequence of PAT elements will be performed for each PAT retest. 46 AFI31-282 22 DECEMBER 2010 Temporary Medical Restrictions

The DAF CP/SG personnel who are temporarily medically restricted from performing the functions of their job, to include taking the PAT, will be exempt from taking the PAT for the duration of the temporary medical restriction. Once the temporary medical restriction has been lifted and the individual has been medically cleared to return to full duty, he/she will have 90 days to complete the PAT.

Employees should be screened closely for medical conditions to prevent any liability against the Contractor. The Contractor will include any wage overtime created by the test with their normal invoice procedures).

- 1) Contract employees may not have any intentional body alteration/modification that results in a visible, physical effect that detracts from a professional image.
- 2) Contract employees may not have visible tattoos that are obscene, gang affiliated, advocate sexual, racial, ethnic, or religious discrimination or are of an unprofessional nature. Contractor guards may not have any visible brands.
- 3) Contract employees are prohibited from attaching, affixing, or displaying (body piercing) objects, articles, jewelry or ornamentation to or through the ear, nose, tongue or any exposed body part. EXCEPTION: Women may wear one (1) matching pair of earrings: one (1) small conservative earring per earlobe that fit tightly without extending below the earlobe.
- 4) The Contractor shall coordinate with the local Security Forces leadership to determine what presents a professional image. Contractor guards will wear uniform work clothing with Contractor insignia clearly displayed on the outer uniform garment, above the waist. Unauthorized insignia or accoutrements will not be worn with, or on, uniform work clothing. Uniform work clothing will be clean and in well-pressed condition at all times. Footwear will be polished at all times.

Mental demands

Contract employees must be mentally alert at all times and capable of taking prompt efficient action to mitigate emergency situations such as fire, attempted theft, espionage, sabotage and other acts detrimental to safeguarding Government personnel and property. The Contractor will monitor the suitability to bear firearms for personnel assigned. Personnel determined by medical authority to be suffering from alcohol abuse (K2) or dependence (K3) will not be assigned to this Contract. Furthermore, personnel taking prescription medication that will impair their ability to use a firearm with care will not be assigned to this Contract. Any personnel taking medication (such as Prozac) will need to have prior authorization from a responsible physician prior to assignment as outlined in AFI 31-207, chapter 2.6. Contract employees shall notify their site manager of medications which might affect mental demands, the site manager will be required to consult with the CCI.



Physical Demands

Contract employees are expected to be physically able to perform the following functions in the performance of their assigned duties: frequent and prolonged walking, standing, sitting, stooping, climbing, crawling, jumping, occasional running or sprinting, and subduing and detaining violent or potentially violent individuals. They must be able to lift up to 70 pounds and administer self-aid and buddy care as defined by AFI 36-2238 and AFH 36-2218 Volumes 1 and 2. The Contractor employees shall be capable of performing all duties without regard to any physical limitations that would preclude full performance of duty. Physical stamina and strength in all of its forms (endurance, temperature/climate, stress, etc.) is a basic requirement of this position. Individuals not meeting the physical requirements of their assigned position will be removed from site at the CCI's request.

Drug Screening

The Contractor is responsible for all associated costs of drug screening for Contract employees throughout the term of this Contract. Contractor is responsible to conduct initial drug tests for all employees within 30 days prior to performance start date. Drug testing will meet or exceed all state and local requirements. A positive initial drug test disqualifies the individual from employment under this Contract. Employed Contract personnel are subject to random drug screening at all times. The Contractor shall conduct, at a minimum, quarterly random drug screening on 25% of their contract workforce, resulting in 100% tested within a one (1) year period or within the term of this Contract, whichever is shorter. Contractor will submit timely drug test procedures and results to the CCI. Contractor will notify the CCI of any positive drug test results within 72 hours of drug test result notification. A positive drug test disqualifies the individual from further employment under this Contract.

The following minimum criteria stated below along with armed security guard work requirements and deliverables as stated in this Contract will be used by the CCI to determine acceptance of the armed guards who will be performing services provided under this Contract.

Minimum Guard Requirements

Contractor guards shall meet all pre-employment requirements prior to assuming government posting duties. Contractor will ensure that all guards meet the following qualifications prior to posting:

- Civilian or military law enforcement/security experience (preferred).
- Be a citizen of the United States.
- Be at least 21 years of age.
- Speak, read, write, and understand English.
- Be drug free and remain drug free for the duration of this Contract.
- Have knowledge of procedures on use of wire and radio communications and report writing.
- Be a high school graduate or possess a Graduate Equivalency Degree (GED) equivalent.
- Possess a valid Michigan driver's license or ID.
- Possess a state-issued security guard license and weapons permit (in jurisdictions where such licenses or permits are available)

Privacy Act

Work on this Contract may require that personnel have access to Privacy Information. Personnel shall adhere to the Privacy Act, Title 5 of the U.S. Code, Section 552a and applicable rules and regulations. Violations of the privacy act will be immediately reported to the Chief, Security Forces, or designee.

Place of Performance/Hours of Operation

Contractor will post schedules in the guard mount room at least three (3) calendar days before the beginning of each work week.



The Contractor shall support the Security Forces at the Battle Creek ANGB. The shift start/stop times will be determined by the CCI. Recommend Contract security personnel not exceed 40 hours per week to include related Post-Associated Time (PAT). PAT is defined as time required for weapons/equipment issue and turn-in, pre- and post-shift briefings (Guardmount) and transit time to and from post. PAT for ANGB is estimated to be 15 minutes prior to and 15 minutes after, each shift. PAT does not include 30 minutes for lunch. All Contract employees will be required to respond as directed when taking lunch. This time will be considered returned to the employee during down time throughout each tour of duty. Contractors will not disarm or leave base as this will affect manning and response capability. Lunches will be consumed on base. All Contractor employees will receive all Guardmount information pre- and post-shift from Security Forces shift supervisor prior to posting. The Contractor's Guard shifts will coincide with the installation's SF unit shift start and stop times. The Contractor will stand Guardmount pre- and post-shift briefings along with the local SF personnel.

Intelligence, FPCON and available manning ultimately dictate the type of schedule required. CCI will notify Contract employees at their earliest convenience when a change is required. It is important to note that this scenario usually happens during contingency operations with short notice.

Contract employees shall not perform any duty in excess of 12 hours and must have at least eight (8) hours rest between shifts. **The consumption/intake of alcoholic beverages or other substances that would impair/alter judgment or performance during the eight (8) hour period prior to a scheduled shift is prohibited.** Employees must be fit for duty.

The Contract supervisor will provide shift relief for employees during meals (when possible) and OJT/standardization and evaluation training and testing.

Medical Examinations

The Contractor shall ensure that all personnel are free from any conditions that would interfere with the full performance of duties, as demonstrated by the results of a physical examination within 30 days prior to their performance start date. Disqualifying conditions include presence of any blood borne pathogens, including hepatitis and HIV. **The Contractor must ensure current immunizations meet the local civilian law enforcement requirements prior to performance start date.**

Pass and Identification Items

The Contractor shall ensure Contract employees' are issued company identification required for contract performance.

The Contractor will be responsible for the return of all government issued identification (ie: Common Access Card) upon termination of individual employees.

Prior To Employment Security Screening

The following background checks will be conducted and completed for all Contractor personnel performing services under this Contract. Further, all Contractor personnel are subject to periodic background checks throughout the duration of this Contract, at the discretion of the Government.

Wants and Warrants Investigations

The Contractor shall perform and provide a pre-employment Wants and Warrants investigation on each individual to the extent required for state armed guards in the state of performance. Investigations shall include, at a minimum, employment history, verification checks of conviction records, ongoing criminal charges, credit check, driving record, and proof of possession of a valid driver's license. The Contractor is responsible for pre-employment background investigation costs. The Contractor will provide all investigation results to the CCI.



NCIC and NAC Requirements

After a preliminary review/evaluation/candidate endorsement, the Contractor shall provide the CCI, with the name (First, Middle, Last), full social security number, and date of birth of each recommended prospective guard candidate. The Government may perform a National Crime Information Center (NCIC) check on all prospective Contractor on-site employees. If NCIC results indicate an individual does not meet National Agency Check (NAC) requirements, the Government reserves the right to require removal under PWS paragraph 1.16.2. The Contractor may temporarily assign a potential employee pending a favorable NAC report if the Contractor has submitted all required information to the Government and there is no known disqualifying information.

**Inquiries: OPM-CFIS, Customer Services Group, (202) 606-1042
 OPM-FIPC, Customer Services Group, (724) 794-5612**

Personnel Records

A copy of all records for each contract guard, Shift Supervisor, and Site Manager working at the installation shall be maintained at the installation of their employment. These records shall be available for inspection by the Government to ensure compliance with this Contract. The Contractor shall maintain a copy of each record auditable by the CCI at a moments notice. Records include, but are not limited to, state training completion, verification of license application, state weapons and state training licenses/certifications, proof of medical and drug clearance for each employee, documented proof of completed local background investigation and other training documents.

Temporary Removal of Guard Personnel Posing an Imminent Threat

The CCI may direct the Contractor to temporarily remove immediately any individual from duty who poses an imminent threat to safety of personnel or Government resources. The temporary removal will last until the incident prompting removal has been resolved to the satisfaction of the government. Once the incident has been resolved, the individual will either be allowed to return to work on this Contract or permanently removed from performance on this Contract as the government deems appropriate. Temporary removal of guard personnel does not relieve the Contractor of any performance requirements or create an entitlement to an equitable adjustment.

Permanent Removal of Guard Personnel

The Government reserves the right to permanently exclude any individual from performance under this Contract whose performance does not meet standards or fails to pass a security check under this Contract. Such failure includes, but is not limited to, falsifying reports or statements; mishandling weapons; loss, destruction, or irresponsible use of government equipment; or other criteria identified in this Contract. When so instructed, the Contractor shall immediately remove such individual from the site. Permanent removal of guard personnel does not relieve the Contractor of any performance requirements or create an entitlement to an equitable adjustment. The Contractor shall not reinstate on this Contract any employee who has been permanently removed.

Supervision by Contractor

The Contractor shall:

- a. Guarantee that, a security supervisor shall appear in person during normal business hours at the request of the CCI to discuss security related issues. Contractor shall respond within eight (8) hours of request. Contractor shall provide the CCI with a 12 month meeting schedule within two (2) weeks after Contract start date. Contractor shall provide a written plan to resolve problems within 24 hours upon request by CCI.
- b. The Contractor shall designate one (1) of the guards per shift as a lead worker. Such lead worker shall be compensated by Contractor at an increased hourly rate commensurate with the extra responsibility.
- c. Provide another guard, while in the line of duty and/or result of same, when a guard is required to appear in court or at an employee grievance hearing on behalf of the agency. Payment will be made by the Contractor for the number of hours required for appearance in court, less witness fees.



- d. Provide at the request of the CCI, additional temporary security guards required to secure additional properties needing protection for an interim period of time, including 24 hour assignment, should that be required. Any permanent increase in number of guards or hours of service at a given location must be authorized by DMB, Procurement, including any additional security guards for covered properties or other additional properties which may require protection. Such additional security guards shall be provided when the suitable agreement is reached by the State and the Contractor. Such manpower additions, as well as general orders, shall be based on a case by case survey of the properties in question.
- e. Submit a package containing names of all guards and each guard's certification of training, whether temporary or permanent, who will be performing duties under this Contract, to the CCI and DMB, Procurement. In addition, packages provided shall include results of pre-employment drug testing performed by an accredited drug testing facility (verification can be on the testing facility letterhead with a statement of the employees name and drug free status) showing verification all guards are drug free.
- f. A minimum of 48 hours prior to introduction of new personnel, temporary or permanent, Contractor shall provide replacement guard's name and certification of training to the CCI. In addition, the CCI shall also be provided the results of pre-employment drug testing (verification can be provided on testing facilities letterhead with a statement of employees name and drug free status).
- g. The CCI and/or DMB, Procurement reserves the right to meet with potential security officers and/or security supervisors prior to their assignment.
- h. The CCI reserves the right to conduct a back-ground investigation on potential security officers and/or security supervisors prior to their assignment. In addition, the CCI reserves the right to conduct additional back-ground investigation(s) on security officers and/or supervisors during the course of this Contract as deemed necessary. The CCI reserves the right to accept, reject, or have replaced a given guard based on the information available. Name, driver's license number, and date of birth shall be provided for guard or supervisor.
- i. Replace any employee immediately upon notification, by Michigan State Police or Consumer & Industry Services, that a criminal history exists. Thereby disqualifying employee from employment based on the requirements of Act 330 PA 1968. Such employee may not be reassigned to any State location.
- j. Maintain copies of each guard's application and investigative reports and provide a training package for each guard as described in this Contract. Each guard must present a training package to the CCI prior to starting work. The CCI reserves the right to accept or reject a given guard based on the information available.
- k. The Contractor shall certify in writing to the on-site CCI, that guards assigned to locations encompassed within this Contract have successfully passed urine drug(s) both pre-employment and random. The testing must include, but is not limited to the following analytes (drug groups): Amphetamines, Cannabinoids, Cocaine Metabolites, Opiates, and Phencyclidine. Random drug screens shall be conducted at least twice per year. Written verification from the laboratory that each assigned guard, due to be tested, has successfully passed the drug screen, shall be presented at the monthly meeting between the DMVA CCI and staff from the Contractor's administrative office. In addition, the State reserves the right to see copies of actual test results from the laboratory. The Contractor shall replace any employee immediately upon notification that they have failed their random drug screen. Such employee may not be reassigned to any other State location.
- l. The agency may require the Contractor to immediately remove any of its employees from the agency's premises for just cause. Any, and all, such removals shall be made in the name of the Contractor and all responsibilities will be assumed by the Contractor. Any such guard shall not be placed in another State agency.
- m. The security supervisor shall be responsible for training all on-site personnel in the proper use of the emergency procedure manual at each location. Additionally, quarterly training updates shall be conducted by the security supervisor for all employees located at the work site. Certification of quarterly training shall be provided to the CCI



Contractor Vehicles

Battle Creek – one (1) vehicle) and also to include:

- a. If applicable, Contract security employees may be required at times use Government Vehicles in the performance of their duties. **Damage to government vehicles by Contract employees will be the responsibility of the Contractor.** The installation vehicle maintenance will obtain three (3) estimates for all vehicle damage. The total cost of repair shall be reimbursed to the Government as a Claim against the Contractor and the Contractor will contact the CCI directly to settle any repair costs to the satisfaction of the government. Vehicles shall be inspected for damage at the beginning and end of each shift. Any noted damaged will be immediately reported to the Contractor site manager for an investigation.
- b. Contract security vehicle shall be used by government personnel in the performance of their duties when required. Contractor vehicle will remain at the assigned location for applicable patrol use and posting to support requirements.

Training

Security guards, including additional staff that will provide security in the absence of assigned guards or an emergency, shall be paid their hourly rate for all training hours. Training hours, in-house and on-the-job, required to comply with this Contract shall not be billed to the State but shall be part of Contractor's operational overhead. A representative from the agency may attend training sessions at their discretion. All security guards shall have a minimum of 30 hours classroom training prior to providing security at this location. Guards shall be compensated for training at the wages stipulated in this Contract. Classroom training shall include, but not be limited to, the following subjects:

- a. Company and Position Orientation - MINIMUM 8 HOURS
Minimum uniform requirements and appearance
Limits of authority and employment
Persons or authorities to be contacted in emergencies or unusual occurrences
Licensee or parent company structure which affect guard's duties
Guard courtesy and public demeanor
Report writing
- b. Defensive Tactics - MINIMUM 10 HOURS
Self-defense
Correct use of restraining devices
Pressure point training
Verbal/Sensitivity training
- c. Emergency Preparedness - MINIMUM 6 HOURS
General responsibilities regarding: medical emergencies-response, crowd control, exposure to bodily fluid, fire prevention & safety, bomb threats, searches & types, weather emergencies, chemical spills, leaks & related waste and evacuation procedures.
- d. Additionally, not to exceed 24 hours of on-the-job training shall be required, during which time the new guard shall be under the immediate supervision of an experienced guard service supervisor.

Alternatively, the above requirements may be waived by the CCI for experienced security guards with documented training meeting the hours as specified. On-the-job training may be waived by the CCI for guards who have been providing adequate service at the site(s) in question.



The Contractor shall allow security guards to participate in special training programs which may be offered by the department, during normal work hours. The Contractor is encouraged to participate in maintenance training of the above requirements on an annual basis.

In addition to the above training, all security guards assigned to this location shall be trained in the use of firearms by an instructor certified by the Michigan Commission on Law Enforcement Standards (MCOLES), National Rifle Association (NRA) or other organization that certifies Firearm Training Instructors. The training shall (at a minimum) encompass the following topics:

- a. Revolver Knowledge
- b. Safe Gun Handling
- c. Ammunition Knowledge
- d. Firearms and the Law

Guards must comply with the State of Michigan Concealed Weapons Laws. In addition, all guards assigned to these locations shall sign a "local use of force policy statement" policy letter on a semi-annual basis.

A training package shall be maintained and provided, within 24 hours of request from the CCI/State, for each employee used to fulfill this Contract. The training package shall contain, at a minimum, the following information:

1. A copy of Appendix A which was submitted to the respective CCI and/or DMB, Procurement.
2. Copy of a valid driver's license.
3. Sufficient resume and/or detailed information about named guard to show evidence of compliance with educational and physical requirements of this Contract.
4. Documentation substantiating that guard personnel met the firearm training requirements and re-qualification Contractor's firearm instructor is certified by the Michigan Council on Law Enforcement Standards (MCOLES), National Rifle Association (NRA) or an approved organization that certifies Firearm Training Instructors shall be submitted with Appendix A and upon request from the State.
5. List of classes taken by the employee, together with the dates of completion of each subject covered in the training provided by the Contractor, and names of instructors providing that training, showing fulfillment of training requirements.
6. Any other information considered pertinent to an armed security guard position. (For example: Any law enforcement training, hazardous material handling, first responder training, homeland security training, first aid training, etc. This information should include the dates of training, certificates, etc.).
7. Guard identification card, together with a schedule for the completion of the required on-the-job training.

NOTE: The CCI will retain copies of each assigned guard's training package on file, so that verification of specification compliance is available to any State inspector at whatever time an unscheduled inspection may be required by DMB, Procurement, Michigan State Police, Department of Consumer & Industry Services, or any other State/Federal Auditors(s).

STATE RESPONSIBILITIES

The agency shall supply, if applicable:

1. All reporting forms as necessary, for the Contract locations. For example (additional reports may be requested):
 - a) Major incident report.
 - b) Register for authorized building entry/departure.
 - c) Removal of physical property report.
 - d) Lost and found envelope.
 - e) Shift security summary.



2. All necessary keys, a receipt for same to be signed by the Contractor. Keys shall not be loaned or used for purposes other than official State business. Keys issued shall remain on the premises and not be taken home by an individual security guard.
3. Lighting, sanitary facilities and necessary telephone communications. **NOTE:** Contractor shall reimburse the State for all personal call expense incurred by their employees.
4. Names and telephone numbers of authorized personnel, including police, fire, etc., to be notified in the event of mechanical failure or emergencies.
5. Designation of an on-site DMVA POC/Contract Compliance Inspector or Designee(s) for the day to day administration of the services provided under the proposed Contract.
6. The DMVA on-site POC/Contract Compliance Inspector or Designee(s) will meet monthly with staff from the Contractor's administrative office to review reports, discuss the service level(s) provided, discuss the proficiency of security guards assigned, and discuss potential modification(s) to operating procedures.
7. In the event that the Contractor has issues that need to be discussed with DMVA, the designated DMVA POC/Contract Compliance Inspector or Designee will meet with the vendor within 3 days of request.
8. Training shall be provided by the designated DMVA POC/Contract Compliance Inspector or Designee, if applicable, in:
 - a. The correct operation of any security alarm system used at site.
 - b. Supervisors in the proper use of on-site procedure manuals. Training updates shall be conducted as necessary, but not less than quarterly.
 - c. Administration of written test to all supervisors and guards assigned to location(s) covered under this Contract within two (2) weeks of guards assignment to facility. Random testing of procedures will be given at the Contractor Compliance Inspector's discretion. DMVA reserves the right to have guards and/ or supervisors who do not demonstrate an acceptable level of performance on the test to be removed from the site.
9. All other equipment and supplies necessary to meet the specifications of this Contract shall be furnished by the Contractor.

OPERATING PROVISIONS

1. General and specific orders detailing security guard duties at the DMVA Contract locations, shall be provided the Contractor prior to the term of the Contract. These orders shall be deemed a portion of this Contract and failure to carry out these orders shall be considered a violation of this Contract. In addition, orders may change accordingly depending on the level of security threat at each DMVA location. It will be the responsibility of the supervisor to assure guards are properly notified of specific orders and any changes accordingly.
2. Security guards shall:
 - a. Show respect and courtesy to all persons on all occasions.
 - b. Refer inquiries to appropriate location.
 - c. Be sufficiently knowledgeable regarding building operations to perform their assigned duties.
 - d. Dispose of waste so as not to create custodial chores for others.



- e. Each security officer shall provide a completed daily log and incident report.
 - f. Exclude non-employees from employees areas except on explicit instructions of the representative. Guards shall be properly trained to question and when necessary detain persons gaining unauthorized access to areas and the installation and to properly notify proper authorities
 - g. Report all incidents immediately to the designated DMVA representative and follow up with a written report by the end of the officer's shift.
 - h. **NOT** visit or fraternize with agency staff, clients, other tenants or visitors to the building.
 - i. **NOT** perform personal chores for anyone.
 - j. **NOT** assemble with other security guards on duty except as required or related to an emergency.
 - k. **NOT** smoke while on duty.
 - l. **NOT** depart from duty station until relieved.
 - m. **NOT** do any of the following while on duty:
 - 1) Read newspapers, magazines, books or other matter other than State or Contractor issued directives.
 - 2) Use any musical instrument.
 - 3) Have pets at work.
 - 4) Consume alcoholic beverages or narcotics or be under their influence when reporting for or while on duty.
 - 5) Have relatives or personal visitors.
 - 6) Sleep or give the appearance thereof.
 - 7) Consume food or beverages in public view.
 - 8) Play radios or televisions.
 - 9) Use space heaters or other electrical appliances.
 - n. **NOT** initiate or receive personal telephone calls on agency telephones. The Contractor shall be responsible for all unauthorized telephone calls placed on State telephones/lines.
 - o. **NOT** wear sunglasses except outdoors, as necessary. Sunglasses must be conservative and non-reflective while on post at the Main Gate and on patrols.
3. The designated DMVA representative, POC, or CCI may give additional written or oral instructions relating to specific installation/base. Contractor must be able to meet those requirements as specified and will be allowed a reasonable response time to meet those requirements.

1.040 Project Plan

1.041 Project Plan Management

Task Owner Timeline

List of sites to be converted provided to Contractor- State of MI
 Project manager assigned to manage rollout- Contractor
 Security vendor selected- State of MI
 Existing site security personnel interviewed -Contractor
 Recruiting begins for vacant security positions-Contractor
 Retained personnel drug tested, trained, qualified-Contractor
 New hires drug tested, screened, trained, qualified -Contractor
 Post procedures, severe weather policies, evacuation plans, floor plans, terrorism plans, and other emergency plans provided to Contractor - State of MI
 Existing post procedures and policies reviewed and updated - Contractor
 New staff provided on the job training - Contractor
 Weekly feedback of transition provided to client -Contractor
 Ongoing Sites converted - Contractor



1.042 Reports

Throughout the Contract period, Contractor will provide the State of Michigan with a variety of operational reports, including:

- Activity logs
- Incident reports
- Emergency management reports

1.050 Acceptance

1.051 Criteria

The following criteria will be used by the State to determine Acceptance of the Services or Deliverables provided under this SOW will be used by the State to determine acceptance of the armed guards who will be performing the services provided:

The Contractor shall provide armed security guards who possess and demonstrate the ability to:

- a. Speak and understand English language fluently.
- b. Understand and carry out oral and written instructions.
- c. Provide instruction on necessary rules, duties and functions.
- d. Recognize dangerous conditions about buildings and grounds and respond as necessary.
- e. Meet and deal effectively in a courteous manner with the public/staff and all those who enter the premises.
- f. Have a knowledge of safety precautions and of fire prevention methods.
- g. Prepare clear, concise and complete written reports as required by POC/Contract Compliance Inspector or designee.
- h. Complete necessary forms in performance of duties as required by the State.
- i. Solve problems and de-escalate situations in a non-confrontational manner.
- j. Possess the ability to perform basic mathematical calculations, such as addition, subtraction, multiplication, and division as a minimum.
- k. Possess a valid Michigan Drivers License or valid Michigan ID.

The Contractor will be required to submit detailed itemized invoices showing individual armed security guard, hours worked, and must be submitted to the POC/CCI at the specified location armed security guard services were performed. All invoices must be reviewed and approved by the individual location before payment of invoices can be processed.

1.052 Final Acceptance Deleted - Not Applicable

1.060 Proposal Pricing

1.061 Proposal Pricing

Invoices shall be submitted monthly for actual hours of service provided. One invoice shall be issued by installation individually. Invoices shall include Contract number, hours billed, hourly rate, guard name, etc.. Any additional hours shall be itemized on the invoice. Contractor shall attach documentation showing each armed security guards name, hours worked per day and total hours worked for billing period.

All invoices must be sent to the individual location for approval.

All rates quoted in this Contract will be firm for the duration of this Contract. No price changes will be permitted.

For authorized Services and Price List, see Attached LSS Pricing Sheets.



Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See www.michigan.gov/dtmb for current rates.

1.063 Tax Excluded from Price

(a) Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

1.064 Holdback Deleted - Not Applicable

1.070 Additional Requirements

1.71 Additional Terms and Conditions specific to this Contract



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of Five (5) years beginning December 1, 2011 through November 30, 2016. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Options to Renew

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to Two (2) additional One (1) year periods.

2.003 Legal Effect

Contractor must show acceptance of this Contract by signing two (2) copies of the Contract and returning them to the Contract Administrator. The Contractor must not proceed with the performance of the work to be done under this Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a Contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against this Contract has been issued.

2.004 Attachments & Exhibits

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing this Contract, are incorporated in their entirety and form part of this Contract.

2.005 Ordering

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of the Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor must furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 Order of Precedence

(a) This Contract, including any Statements of Work and Exhibits, to the extent not contrary to this Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

(b) In the event of any inconsistency between the terms of this Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of this Contract, which may be modified or amended only by a formal Contract amendment.

2.007 Headings

Captions and headings used in this Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.



2.008 Form, Function & Utility Deleted - Not Applicable

2.009 Reformation and Severability

Each provision of this Contract is severable from all other provisions of this Contract and, if one (1) or more of the provisions of this Contract is declared invalid, the remaining provisions of this Contract remain in full force and effect.

2.010 Consents and Approvals

Except as expressly provided otherwise in this Contract, if either party requires the consent or approval of the other party for the taking of any action under this Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 No Waiver of Default

If a party fails to insist upon strict adherence to any term of this Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of this Contract.

2.012 Survival

Any provisions of this Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of this Contract for any reason. Specific references to survival in this Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.020 Contract Administration

2.021 Issuing Office

This Contract is issued by the Department of Technology Management and Budget, Procurement and Department of Military and Veterans Affairs. Procurement is the sole point of contact in the State with regard to all procurement and Contractual matters relating to this Contract. Procurement **is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of the Contract.** The Contractor Administrator within Procurement for this Contract is:

William C. Walsh, CPPB, Buyer/Manager
Procurement
Department of Technology Management and Budget
Mason Building, 2nd Floor
PO Box 30026
Lansing, MI 48909
Email: walshw@michigan.gov
Phone: (517) 373-6535

2.022 Contract Compliance Inspector

After DTMB-Procurement receives the properly executed Contract, it is anticipated that the Director of Procurement, in consultation with the Department of Military and Veterans Affairs, will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DTMB Procurement.** The agency buyer for this Contract is:

Kimberly Graham, Buyer Manager
DMVA, State Operations
Purchasing & Contracts
3423 N. Martin Luther King Jr. Blvd, Suite 320F
Lansing, MI 48906
Phone: (517) 481-7643
Fax: (517) 481-7644
Email: grahamk@michigan.gov



NOTE: Refer to attached LSS for CCI for each individual DMVA location.

2.023 Project Manager

The following individual will oversee the project:

Kimberly Graham, Buyer Manager
 DMVA, State Operations
 Purchasing & Contracts
 3423 N. Martin Luther King Jr. Blvd, Suite 320F
 Lansing, MI 48906
 Phone: (517) 481-7643
 Fax: (517) 481-7644
 Email: grahamk@michigan.gov

NOTE: Refer to attached LSS for CCI for each individual DMVA location.

2.024 Change Requests

The State reserves the right to request, from time to time, any changes to the requirements and specifications of this Contract and the work to be performed by the Contractor under this Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

Change Requests:

- (a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of the Contract (a "Contract Change Notice").
- (b) No proposed Change may be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the DTMB-Procurement.
- (c) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of the Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect this Contract.

2.025 Notices

Any notice given to a party under this Contract must be deemed effective, if addressed to the State contact as noted in Section 2.021 and the Contractor's contact as noted on the cover page of the Contract, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

Either party may change its address where notices are to be sent by giving notice according to this Section.



If to State:

State of Michigan
DTMB-Procurement
Attention: William C. Walsh, CPPB
PO Box 30026
530 West Allegan
Lansing, MI 48909
walshw@michigan.gov
Fax: (517) 335-0046

If to Contractor:

Kathryn Kendall
5160 Falconview Avenue
Kentwood, MI 49512
kathrynkendall@dksecurity.com
Fax: (616) 656-6800

2.026 Binding Commitments

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in this Contract. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties

The relationship between the State and Contractor is that of client and independent Contractor. No agent, employee, or servant of Contractor or any of its SubContractors must be deemed to be an employee, agent or servant of the State for any reason. Contractor is solely and entirely responsible for its acts and the acts of its agents, employees, servants and SubContractors during the performance of this Contract.

2.028 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless stated otherwise in this Contract, the parties must not unreasonably delay, condition, or withhold the giving of any consent, decision, or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under this Contract.

2.029 Assignments

(a) Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the requirements of the Contract. The State may withhold consent from proposed assignments, subContracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its Contractual duties, and the requirement under the Contract that all payments must be made to one (1) entity continues.

(c) If the Contractor intends to assign the Contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.



2.030 General Provisions

2.031 Media Releases

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

Procurement retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Procurement.

2.033 Permits

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 Website Incorporation

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

2.035 Future Bidding Preclusion

Contractor acknowledges that, to the extent the Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP.

2.036 Freedom of Information

All information in any proposal submitted to the State by Contractor and the Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231, et seq (the "FOIA").

2.037 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under the Contract must provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables

Each Statement of Work or Purchase Order issued under the Contract must specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under the Contract is subsequently reduced by the State, the parties must negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

2.043 Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its SubContractors, if any) under the Contract, the State must not be obligated to pay any amounts in addition to the charges specified in the Contract.



2.044 Invoicing and Payment – In General

- (a) Each Statement of Work issued under the Contract must list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.
- (b) Each Contractor invoice must show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis must show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.
- (c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 PA 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the CCI and the Contractor

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) must mutually agree upon. The schedule must show payment amount and must reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy, statements must be forwarded to the designated representative by the 15th day of the following month.

The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the CCI, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.045 Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services must be pro-rated for any partial month.

2.046 Antitrust Assignment

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of the Contract.

2.047 Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one (1) party against the other arising from unsettled claims or failure by a party to comply with the Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under the Contract must constitute a waiver of all claims by Contractor against the State for payment under the Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.048 Electronic Payment Requirement

Electronic transfer of funds is required for payments on State Contracts. The Contractor must register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in 1984 PA 431, all Contracts that the State enters into for the purchase of goods and services must provide that payment will be made by Electronic Fund Transfer (EFT).

2.050 Taxes

2.051 Employment Taxes

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes.



2.052 Sales and Use Taxes

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining “two (2) or more trades or businesses under common control” the term “organization” means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060 Contract Management

2.061 Contractor Personnel Qualifications

All persons assigned by Contractor to the performance of Services under the Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved SubContractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subContract entered into with a SubContractor. For the purposes of the Contract, independent Contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for the Contract only; however, the State understands that the relationship between Contractor and SubContractor is an independent Contractor relationship.

2.062 Contractor Key Personnel

- (a) **Mr. Jeffrey Miles will be assigned as Site Manager for the Battle Creek ANGB, working on-site 40 hours per week.**
- (b) Mr. Steve Pekrul, VP of Operations, will develop relationships with the appropriate JFRC representatives and will serve as a key partner in this contract.
- (c) The State reserves the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor must notify the State of the proposed assignment, must introduce the individual to the appropriate State representatives, and must provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State must provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor’s removal of Key Personnel without the prior written consent of the State is an unauthorized removal (“Unauthorized Removal”). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel’s employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements and appropriate transition planning must be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.



(e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

2.063 Re-assignment of Personnel at the State's Request

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location

All staff assigned by Contractor to work on the Contract must perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel must, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 Contractor Identification

Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.066 Cooperation with Third Parties

Contractor must cause its personnel to cooperate with the State and its agents and other Contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor must provide to the State's agents and other Contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with the Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and must not unnecessarily or unreasonably interfere with, delay, or otherwise impede Contractor's performance under the Contract with the requests for access.

2.067 Contractor Return of State Equipment/Resources

The Contractor must return to the State any State-furnished equipment, facilities, and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

2.068 Contract Management Responsibilities

The Contractor must assume responsibility for all Contractual activities, whether or not that Contractor performs them. Further, the State considers the Contractor to be the sole point of contact with regard to Contractual matters, including payment of any and all charges resulting from the anticipated Contract.

2.070 SubContracting by Contractor - DELETED – NOT APPLICABLE

NO SUBCONTRACTING WILL BE ALLOWED FOR THIS CONTRACTUAL AGREEMENT

2.071 Contractor Full Responsibility Deleted - Not Applicable

Contractor has full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all Contractual matters under the Contract, including payment of any and all charges for Services and Deliverables.



2.072 State Consent to Delegation Deleted - Not Applicable

2.073 SubContractor Bound to Contract Deleted - Not Applicable

2.074 Flow Down Deleted - Not Applicable

2.075 Competitive Selection Deleted - Not Applicable

2.080 State Responsibilities

2.081 Equipment

The State must provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

2.082 Facilities

The State may designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor must have reasonable access to, and, unless agreed otherwise by the parties in writing, must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor must not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

2.090 Security

2.091 Background Checks

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel must comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor personnel must agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. The Contractor must present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff must comply with all Physical Security procedures in place within the facilities where they are working.

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State, in writing, any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI Data Security Requirements Deleted - Not Applicable



2.100 Confidentiality

2.101 Confidentiality

Contractor and the State each acknowledge that the other possesses, and will continue to possess, confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under the Contract, is marked as confidential, proprietary, or with a similar designation by the State. "Confidential Information" excludes any information (including the Contract) that is publicly available under the Michigan FOIA.

2.102 Protection and Destruction of Confidential Information

The State and Contractor must each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication, or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by the Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party must limit disclosure of the other party's Confidential Information to employees and SubContractors who must have access to fulfill the purposes of the Contract. Disclosure to, and use by, a SubContractor is permissible where (A) use of a SubContractor is authorized under the Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the SubContractor's scope of responsibility, and (C) Contractor obligates the SubContractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any SubContractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the SubContractor's obligations under this Section and of the employee's obligation to Contractor or SubContractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 Exclusions

Notwithstanding the foregoing, the provisions of **Section 2.100** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of **Section 2.100** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.105 Respective Obligations

The parties' respective obligations under this Section must survive the termination or expiration of the Contract for any reason.



2.110 Records and Inspections

2.111 Inspection of Work Performed

The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

2.112 Examination of Records

For seven (7) years after the Contractor provides any work under the Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any SubContractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period, all pertinent financial and accounting records (including time sheets and payroll records, information pertaining to the Contract, and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor must respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

2.115 Errors

(a) If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) invoices. If a balance remains after four (4) invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the Contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

2.120 Warranties Deleted - Not Applicable

2.121 Warranties and Representations Deleted - Not Applicable

2.122 Warranty of Merchantability Deleted - Not Applicable

2.123 Warranty of Fitness for a Particular Purpose Deleted - Not Applicable



2.124 Warranty of Title Deleted - Not Applicable

2.125 Equipment Warranty Deleted - Not Applicable

2.126 Equipment to be New Deleted - Not Applicable

2.127 Prohibited Products Deleted - Not Applicable

2.128 Consequences For Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of the Contract.

2.130 Insurance

2.131 Liability Insurance

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from the Contractor's performance of Services under the terms of the Contract, whether the Services are performed by the Contractor, or by any SubContractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under the Contract.

All insurance coverage's provided relative to the Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance must be written for not less than any minimum coverage specified in the Contract or required by law, whichever is greater.

The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in the Contract must be issued by companies that have been approved to do business in the State. See www.michigan.gov/deleg.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

The Contractor is required to pay for and provide the type and amount of insurance checked ☒ below:

- ☒ 1. Commercial General Liability with the following minimum coverage:
- \$2,000,000 General Aggregate Limit other than Products/Completed Operations
 - \$2,000,000 Products/Completed Operations Aggregate Limit
 - \$1,000,000 Personal & Advertising Injury Limit
 - \$1,000,000 Each Occurrence Limit

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- ☒ 2. If a motor vehicle is used to provide services or products under the Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.



The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☒ 3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

☒ 4. Employers liability insurance with the following minimum limits:

\$100,000 each accident
\$100,000 each employee by disease
\$500,000 aggregate disease

☐ 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its SubContractors, acting alone or in collusion with others, in a minimum amount of \$1,000,000.00 with a maximum deductible of \$50,000.00.

☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

☐ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: \$3,000,000.00 each occurrence and \$3,000,000.00 annual aggregate.

☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under the Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 SubContractor Insurance Coverage – Deleted – Not Applicable



2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DTMB-Procurement, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverage afforded under the policies **MUST NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED** without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Procurement, DTMB. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insured under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three (3) years following the expiration or termination for any reason of the Contract. The minimum limits of coverage specified above are not intended, and must not be construed, to limit any liability or indemnity of Contractor under the Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in the Contract, or if any insurer cancels or significantly reduces any required insurance as specified in the Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of the Contract and that are attributable to the negligence or tortious acts of the Contractor, or by anyone else for whose acts any of them may be liable.

2.142 Code Indemnification – Deleted – Not Applicable

2.143 Employee Indemnification

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its SubContractors, the indemnification obligation under the Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its SubContractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.144 Patent/Copyright Infringement Indemnification – Deleted – Not Applicable

2.145 Continuation of Indemnification Obligations

The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.



2.146 Indemnification Procedures

The procedures set forth below must apply to all indemnity obligations under the Contract.

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under the Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

If the Contractor breaches the Contract, and the State, in its sole discretion, determines that the breach is curable, then the State must provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.152 Termination for Cause

(a) The State may terminate the Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under the Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State



(b) If the Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating the Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by the Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in the Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under the Contract.

(c) If the State chooses to partially terminate the Contract for cause, charges payable under the Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates the Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of Contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in the Contract for a termination for convenience.

2.153 Termination for Convenience

The State may terminate the Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate the Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate the Contract in part, the charges payable under the Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

2.154 Termination for Non-Appropriation

(a) Contractor acknowledges that, if the Contract extends for several fiscal years, continuation of the Contract is subject to appropriation or availability of funds for the Contract. If funds to enable the State to effect continued payment under the Contract are not appropriated or otherwise made available, the State must terminate the Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under the Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates the Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.



2.155 Termination for Criminal Conviction

The State may terminate the Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subContract.

2.156 Termination for Approvals Rescinded

The State may terminate the Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State must pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157 Rights and Obligations upon Termination

(a) If the State terminates the Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from the Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subContracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates the Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under the Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under the Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subContracts and agreements for Services and Deliverables provided under the Contract, and may further pursue completion of the Services/Deliverables under the Contract by replacement Contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

Any termination of the Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

2.160 Termination by Contractor

2.161 Termination by Contractor

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.



The Contractor may terminate the Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under the Contract, (ii) breaches its other obligations under the Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.190** before it terminates the Contract.

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates the Contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If the Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed a mutually agreeable time between the Contractor and the State. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175**.

2.172 Contractor Personnel Transition

The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's SubContractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's SubContractors or vendors. Contractor must notify all of Contractor's subContractors of procedures to be followed during transition.

2.173 Contractor Information Transition

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under the Contract. The Contractor must provide the State with asset management data generated from the inception of the Contract through the date on which the Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor must deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

2.174 Contractor Software Transition – Deleted – Not Applicable

2.175 Transition Payments

If the transition results from a termination for any reason, reimbursement must be governed by the termination provisions of the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after Contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor must prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176 State Transition Responsibilities

In the event that the Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.



2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.180**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.150**.

2.182 Cancellation or Expiration of Stop Work Order

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment must conform to the requirements of **Section 2.024**.

2.183 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.150**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.180**.

2.190 Dispute Resolution

2.191 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192 Informal Dispute Resolution

(a) All disputes between the parties must be resolved under the Contract Management procedures in the Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Procurement, DTMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

- (i) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
- (ii) During the course of negotiations, all reasonable requests made by one (1) party to another for non-privileged information reasonably related to the Contract must be honored in order that each of the parties may be fully advised of the other's position.



(iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(iv) Following the completion of this process within 60 calendar days, the Director of Procurement, DTMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section must not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.193**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, or physical or mental disability. Contractor further agrees that every subContract entered into for the performance of the Contract or any purchase order resulting from the Contract must contain a provision requiring non-discrimination in employment, as specified here, binding upon each SubContractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subContract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under Section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a Contract with a SubContractor, manufacturer, or supplier whose name appears in this register. Under Section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the SubContractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.



2.204 Prevailing Wage Deleted - Not Applicable

2.210 Governing Law

2.211 Governing Law

The Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.212 Compliance with Laws

Contractor must comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

2.213 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220 Limitation of Liability

2.221 Limitation of Liability

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, Contractor must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of the Contract would cause a reasonable party to be concerned about:

- (i) the ability of Contractor to continue to perform the Contract according to its terms and conditions, or
- (ii) whether Contractor in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of the Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (a) Contractor must be able to continue to perform the Contract and any Statements of Work according to its terms and conditions, and



- (b) Contractor has not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor must make the following notifications in writing:
 - (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB-Procurement.
 - (2) Contractor must also notify DTMB Procurement within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
 - (3) Contractor must also notify DTMB Procurement within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure – Deleted – Not Applicable

2.233 Bankruptcy

The State may, without prejudice to any other right or remedy, terminate the Contract, in whole or in part, and, at its option, may take possession of the “Work in Process” and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under the Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 Time of Performance

- (a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.241(a)**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.



2.242 Service Level Agreements (SLAs)

- (a) SLAs will be completed with the following operational considerations:
- (i) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
 - (ii) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
 - (iii) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
 - (iv) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
 - 1. Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
 - 2. Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) is defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service must not affect any tiered pricing levels.
- (c) Root Cause Analysis must be performed on any business critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor must provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places, with five and greater rounding up and four and less rounding down, unless otherwise specified.

2.243 Liquidated Damages –DELETED – NOT APPLICABLE

2.244 Excusable Failure

Neither party will be liable for any default, damage, or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military, or otherwise), power failure, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party is without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

If a party does not perform its Contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. but the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.



If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition.

2.250 Approval of Deliverables

2.251 Delivery Responsibilities Deleted - Not Applicable

2.252 Delivery of Deliverables

Where applicable, the Statements of Work/POs contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable"), a good ("Physical Deliverable") or a Service. All Deliverables must be completed and delivered for State review and written approval and, where applicable, installed according to the State-approved delivery schedule and any other applicable terms and conditions of the Contract.

2.253 Testing Deleted - Not Applicable

2.254 Approval of Deliverables, In General

(a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, according to the following procedures. Formal approval by the State requires the State to confirm in writing that the Deliverable meets its specifications. Formal approval may include the successful completion of Testing as applicable in **Section 2.253**, to be led by the State with the support and assistance of Contractor. The approval process will be facilitated by ongoing consultation between the parties, inspection of interim and intermediate Deliverables and collaboration on key decisions.

(b) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.

(c) Before commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor according to **Section 2.253**.

(d) The State must approve in writing a Deliverable/Service after confirming that it conforms to and performs according to its specifications without material deficiency. The State may, but is not be required to, conditionally approve in writing a Deliverable/Service that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable/Service that remain outstanding at the time of State approval.



(e) If, after three (3) opportunities (the original and two (2) repeat efforts), the Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that the Contractor cure the failure and give the Contractor additional time to cure the failure at the sole expense of the Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever the Contractor has failed to do, and recover the difference between the cost to cure the deficiency and the Contract price plus an additional sum equal to 10% of the cost to cure the deficiency to cover the State's general expenses provided the State can furnish proof of the general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure the breach. Notwithstanding the foregoing, the State cannot use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

(f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if the process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity that renders continuing the process unproductive or unworkable. If that happens, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery before resuming the testing or approval process.

2.255 Process For Approval of Written Deliverables Deleted - Not Applicable

2.256 Process for Approval of Services

The State Review Period for approval of Services is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 Business Days for Services). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Services (or at the State's election, after approval of the Service). If the State delivers to the Contractor a notice of deficiencies, the Contractor must correct the described deficiencies and within 30 Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts must be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State must have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Service for conformity and that the identified deficiencies have been corrected.

2.257 Process for Approval of Physical Deliverables Deleted - Not Applicable

2.258 Final Acceptance

Unless otherwise stated in the Article 1, Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable must occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.251-2.257**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

2.260 Ownership Deleted - Not Applicable

2.261 Ownership of Work Product by State Deleted - Not Applicable

2.262 Vesting of Rights Deleted - Not Applicable

2.263 Rights in Data – DELETED - NOT APPLICABLE

2.264 Ownership of Materials Deleted - Not Applicable



2.270 State Standards

2.271 Existing Technology Standards

The Contractor must adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dit>.

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.273 Systems Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State's approval must be done according to applicable State procedures, including security, access, and configuration management procedures.

2.280 Extended Purchasing- Deleted – Not Applicable

2.281 MIDEAL - Deleted - Not Applicable

2.282 State Employee Purchases Deleted - Not Applicable

2.290 Environmental Provision

2.291 Environmental Provision

Hazardous Materials:

For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation, or disposal of which is regulated by the federal, State, or local laws governing the protection of the public health, natural resources, or the environment. This includes, but is not limited to, materials such as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act.

(a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State, and local laws. The State must provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.



(c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.242** for a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html

Refrigeration and Air Conditioning:

The Contractor must comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to the Contract.

Environmental Performance:

Waste Reduction Program: Contractor must establish a program to promote cost-effective waste reduction in all operations and facilities covered by the Contract. The Contractor's programs must comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

2.300 Other Provisions

2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials

Equipment, materials, or supplies, that will be furnished to the State under the Contract must not be produced in whole or in part by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

"Forced or indentured child labor" means all work or service: exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or performed by any person under the age of 18 under a Contract the enforcement of which can be accomplished by process or penalties.



PRICING – BATTLE CREEK ANGB

Item	Unit	Position	Bill Rate per Hour	Total # of Hrs for One Year	Total Cost (rate x # of hours)
1	EA	Armed Guard Patrol: One (1) employee each eight (8) hour shift, 24 hours/day, seven (7) days/week, 365 days/year. Price includes staff, vehicle, and vehicle operation costs. This position will perform duties as shift supervisor	\$18.23	8,696	\$158,528.08
1a	EA	Armed Guard Patrol Member: One (1) employee each eight (8) hour shift (afternoon and midnights only), 16 hours/day, seven (7) days/week, 365 days/year.	\$17.24	8,696	\$149,919.04
2	EA	Armed Gate Guard (Main Gate): One (1) employee each eight (8) hour shift, 24 hours/day, seven (7) days/week, 365 days/year.	\$17.56	8,696	\$152,701.76
3	EA	Armed Gate Guard (M-F): Vehicle Inspection at Commercial Gate): One (1) employee for each eight (8) hour shift, five (5) days/week, 52 weeks/year. (Not required during holidays)	\$17.24	2,080	\$35,859.20
4	EA	Armed Guard Dispatcher: One (1) employee, each eight (8) hour shift, 24 hours/day, seven (7) days/week, 365 days/year.	\$17.56	8,696	\$152,701.76
SUBTOTAL PRICE FOR ONE (1) YEAR (12 MONTHS):					\$649,709.84
TOTAL PRICE FOR REMAINING MONTHS OF CONTRACT (5 YEARS)					\$3,248,549.20

Wages

Starting wage shall be paid no less than \$12.00 per hour* for an armed guard.